

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

IN RE:	§	
	§	Case No. 20-11161-tmd
Allan L. Reagan	§	
	§	Chapter 11

MOTION TO DISMISS OR CONVERT CASE

TO THE HONORABLE TONY M. DAVIS, UNITED STATES BANKRUPTCY JUDGE:

Creditor, Village @ La Orilla LLC (“VLO”) hereby moves the Court, pursuant to 11USC § 1112, to dismiss or convert this case to one under Chapter 7 of the United States Bankruptcy Code and in support thereof would show the Court:

1. DEBTOR DOES NOT QUALIFY FOR SUBCHAPTER V TREATMENT:

Debtor’s Schedules and Exhibit C to his Amended Plan of Reorganization, as supplemented by the proofs of claim filed in this case, recognize that Debtor has \$2,183,888 in liquidated, non-contingent and undisputed debt. In other words, but for the amendments made by the CARES Act, Debtor would not qualify as a Small Business Debtor under 11 USC 101(51D). More importantly, in addition to the debt recognized by Debtor as liquidated, non-contingent and undisputed, his creditors have filed **approximately \$70,000,000 in proofs of claim** in this case! **These debts include approximately \$15,000,000 owed to banks on account of loans** individually guarantied by Debtor **which Debtor admitted during his Rule 2004 Examination are currently in default** (and were in default on the date of filing the petition). The remaining balance of the claims are principally owed pursuant to

leases of commercial real property through which Debtor operates his brew pub/theater business which were in default on the date of filing and all of which Debtor individually guarantied.¹ While Debtor nominally lists all of these claims as either contingent, unliquidated, or disputed, even if only 10% of these claims are allowed by the Court, Debtor will not qualify for Subchapter V treatment.

WHEREFORE, premises considered, VLO respectfully requests that the Court grant this motion, and enter such other and further relief as the Court deems proper.

/s/ Peter F. Lindborg

Admitted *Pro Hac Vice*

550 N. Brand Blvd., Ste. 1830

Glendale, CA 91203

P: (818) 637-8325

F: (818) 637-8376

plindborg@lmlp.com

¹ Debtor may argue that some or all of his lease-related debt is subject to force majeure clauses and is, therefore, unliquidated. Debtor cannot make such an argument with respect to the \$15,000,000 of bank loan debt.

CERTIFICATE OF SERVICE

The signature below certifies that a true and correct copy of the foregoing document has been served through the ECF filing system on the persons shown below this 20th day of March, 2021:

Mark Curtis Taylor

Waller Lansden Dortch & Davis LLP

100 Congress Ave, Suite 1800

Austin, TX 78701

(512) 685-6400

Fax : (512) 685-6417

Email: mark.taylor@wallerlaw.com

Michael G. Colvard

Martin & Drought, PC

Weston Centre

112 E Pecan St, Suite 1616

San Antonio, TX 78205

(210) 227-7591

/s/ Peter F. Lindborg